

Credit Reports & Credit Repair

consumer**brief**

You have seen ads, billboards and TV commercials where credit repair companies promise to “erase bad credit.” Typically they charge \$50 to help you, but frequently they do nothing to help before taking your money and disappearing.

The New Jersey Fair Credit Reporting Act allows consumers to check the accuracy of their credit reports. Under the law, New Jersey residents may obtain one copy annually, free of charge, from each of the major credit reporting bureaus.

IF YOU HAVE A CREDIT PROBLEM, KEEP THIS IN MIND:

1. **Accurate negative credit information cannot be erased.** If a credit repair company tells you that it will be able to remove negative information from your credit report, they are not telling you the truth. If you have a poor credit history, the only thing that will improve your credit report is time.
2. **It is illegal to hide bad credit.** Some credit repair companies will say they can “hide” bad credit by helping you establish a new credit identity. They will offer to create a new credit file for you with a fake Social Security number. Don't do it! This is fraud and it is a crime.
3. **You can rebuild your own credit record.** Contact your creditors when you realize you cannot make scheduled payments. If you need help working out a payment plan and a budget, contact your local credit counseling service. Before using a local credit counseling service find out if the counselors are certified, how much the services cost and if the agency is accredited. Also, check your employer, credit union or housing authority for no-cost credit counseling programs.

If you decide to seek assistance from a credit repair company, you are protected under the Credit Repair Organizations Act.

- A credit repair company cannot take money from you before services are completed.
- Before you sign a contract, the credit repair company must tell you, in writing, what your legal rights are.
- A credit repair company must give you a written contract which clearly describes all of the terms and conditions of payment, a detailed description of services to be provided and an estimate of how long it will take to complete those services.



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- You have three days to cancel the contract between you and the credit repair company.
- Any contract that is made between you and the credit company that does not comply with the laws is void.
- Credit repair companies are prohibited from making deceptive claims about their services.

If you believe your rights have been violated, you should contact the New Jersey Division of Consumer Affairs at 1-800-242-5846.

Since millions of credit reports are sold daily, it is easy for some information to be incorrect. You should review your credit report on a regular basis and correct mistakes immediately.

Equifax: 800-685-1111
www.equifax.com

Experian: 888-397-3742
www.experian.com

Trans Union: 800-888-4213
www.transunion.com

If you find a problem, the credit bureau has 30 business days to investigate and must inform you of its findings within 10 days of concluding its investigation.

If a credit bureau fails to supply a free copy of your report, or fails to investigate and correct inaccurate information, please contact the New Jersey Division of Consumer Affairs immediately at 800-242-5846 (toll free in N.J.) or 973-504-6200.

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